
ACAMAR FILMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

ACAMAR FILMS LIMITED

COMPANY INFORMATION

Directors	Terence Back Julie Fitzjohn Frank McKirgan Mikael Shields Sandra Vauthier-Cellier
Registered number	04399568
Registered office	7 Savoy Court London WC2R 0EX
Trading Address	Ground Floor The Rotunda 42-43 Gloucester Crescent London NW1 7DL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

ACAMAR FILMS LIMITED

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ACAMAR FILMS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Introduction

The Directors present their Strategic Report of Acamar Films Limited (the "Company") and the Acamar Films Group (the "Group") for the financial year ended 30 September 2021.

Business review*Financial performance*

Turnover for the year was £6.84m (2020: £5.22m) representing 31% growth from the prior year, following 15% growth in the financial year 2019 to 2020. The growth in turnover was driven by the continued development of the Group's commercial intellectual property licensing programmes, growth in digital revenue due to significant viewing increases in international online audiences and increased media revenues generated from sales of the Bing television series.

Throughout the year, in response to the prolonged uncertainty and market disruptions brought about by the global health crisis, the Directors have continued to monitor closely the Group's expenditure and were able to deliver significant cost savings against management's internal budget.

The Group continues to invest in the creation of high-quality localised language versions of existing episodic content for global distribution, and investments into talent and headcount.

These substantial continuing investments in the business resulted in a Loss after tax of £5.05m (2020: loss of £6.42m). These results compare favourably with the Directors' expectations for financial performance in the year and represent an outperformance of forecasts from management's internal budgeting.

Trading environment

The Directors view the financial performance and commercial progress achieved in the year as an encouraging sign of the underlying strength of the project and the Group's long-term prospects.

The Group's priorities during this ongoing period of prolonged disruption have centred around:

- prioritising the safety and well-being of the Group's staff;
- safeguarding the Group's assets, solvency and long-term interests;
- responding to the evolving needs of the Group's audience and partners; and
- continuing to support growth of the Group's activities internationally.

Financial key performance indicators

The Group uses Turnover as its primary performance indicator which has increased to £6.84m (2020: £5.22m) as a result of continued growth across all revenue streams.

Principal risks and uncertainties**Competition**

The market in which the Group operates is competitive. No assurance can be given of the economic success of any television series, with revenues derived from the production, distribution and commercial exploitation of television content, particularly in new territories, primarily dependent on its acceptance by the public, which cannot be predicted.

Regulation and legislation

Ensuring compliance with laws and regulations in the UK and existing international territories in which the Group operates is an ongoing priority. As the group continues to grow internationally, the increased risk of ensuring compliance will remain a priority.

ACAMAR FILMS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Intellectual property rights

The Group relies on trademark, copyright and other intellectual property laws to establish and protect its proprietary rights in the UK and internationally. The risk of infringement is mitigated through rigorous due diligence and trademark registration and protection.

Global health crisis

Given the rapidly changing global situation, and the current uncertainty over the duration of the disruption caused, it is difficult to predict, with any certainty, the continuing impact on the Group's business. Appropriate planning processes are in place to address this future uncertainty and the directors continue to monitor the outlook carefully and take mitigating actions when needed.

Cashflow

Due to the capital intensive nature of the business, involving expenditure on production and infrastructure, the Group monitors and manages the risks associated with its cash flow, as part of its day to day control procedures, and ensures that funds are available to meet short and medium term financial commitments.

Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements.

In relation to the ongoing global health crisis, we anticipate that certain aspects of the Group's business will continue to be impacted, including retail outlet closures and restrictions on trading; disruption to the product supply chain; effects on the ability of theatres, cinemas and theme parks to open and trade; and impacts to the strength of the underlying retail and advertising markets. The Group continues to proactively take steps to mitigate the financial impact of any sustained period of restrictions by significantly reducing expenditure on discretionary operating costs.

Over the period between March 2018 and February 2022, the company has successfully raised equity finance totalling £24.0m, and gross loan notes finance of £15.4m. This funding has been used for general corporate purposes, and to refinance maturing bank debt and loan note programme maturities totalling £12.3m. £5.8m of equity investment and £1.6m of net loan note investment (after repayments) has been raised in the period March 2021 to February 2022 since the last statutory accounts were signed, further underpinning the Company's ability to raise working capital as required.

During the forecast period to February 2023, further investment is being sought to cover the company's ongoing working capital needs. The Board has reviewed the company's base case cash flow and the future fundraising requirements and given the company's successful fundraising history over a period of 17 years, there is reasonable expectation that these targets will be met.

The directors therefore have reasonable expectation that there will be adequate resources for the Company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

Future developments

The principal activities of the Group are expected to continue as they are for the foreseeable future. The Group will continue to exploit its rights and invest in creating new localised language versions in order to launch into new global markets.

This report was approved by the board on 28 February 2022 and signed on its behalf.

Julie Fitzjohn
Director



ACAMAR FILMS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The Directors present their report and the financial statements for the year ended 30 September 2021.

Results and dividends

The loss for the year, after taxation, amounted to £5.05m (2020: £6.42m).

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year were:

Terence Back
Julie Fitzjohn
Frank McKirgan
Mikael Shields
Sandra Vauthier-Cellier

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

ACAMAR FILMS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 February 2022 and signed on its behalf.



Julie Fitzjohn
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAMAR FILMS LIMITED

Opinion

We have audited the financial statements of Acamar Films Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 September 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and the parent Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAMAR FILMS LIMITED (CONTINUED)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAMAR FILMS LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAMAR FILMS LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The group is subject to laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, tax legislation, anti-bribery legislation and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We tested manual journal entries which related to transactions that were determined to be more unusual. This allowed the audit team to assess journal entries relating to management estimates and those impacting key performance indicators, such as revenue.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
 - knowledge of the industry in which the client operates.
 - understanding of the legal and regulatory requirements specific to the entity including:
 - ◆ the provisions of the applicable legislation.
 - ◆ the rules and related guidance issued by relevant authorities that interprets those rules.
 - ◆ the applicable statutory provisions.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAMAR FILMS LIMITED (CONTINUED)

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the applicable statutory provisions.
 - the entity's control environment, including the policies and procedures implemented to comply with the requirements of relevant laws and regulations, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations applicable to the entity, the adequacy of procedures for authorisation of transactions and the internal review procedures over the entity's compliance with legal requirements.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton

Nicholas Page PhD BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

28 February 2022

ACAMAR FILMS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	6,837,383	5,218,953
Cost of sales		(2,475,732)	(2,370,052)
Gross profit		4,361,651	2,848,901
Administrative expenses		(8,820,594)	(8,377,868)
Operating loss	5	(4,458,943)	(5,528,967)
Interest payable and similar expenses	9	(796,021)	(905,071)
Loss before taxation		(5,254,964)	(6,434,038)
Tax on loss	10	202,616	11,859
Loss for the financial year		(5,052,348)	(6,422,179)

The loss for the year ended and total comprehensive income is 100% attributable to the owners of the parent Company.

All the activities of the Group are from continuing operations.

The Group has no other recognised items of income and expenses other than the results for the year as set out above.

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 17 to 39 form part of these financial statements.

ACAMAR FILMS LIMITED
REGISTERED NUMBER:04399568

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	7,579,283	6,741,374
Tangible assets	12	480,831	451,145
		<u>8,060,114</u>	<u>7,192,519</u>
Current assets			
Debtors: due within one year	14	3,182,397	2,204,358
Cash at bank and in hand	15	1,579,491	2,879,103
		<u>4,761,888</u>	<u>5,083,461</u>
Creditors: due within one year	16	(4,778,785)	(3,971,424)
Net current (liabilities)/assets		<u>(16,897)</u>	<u>1,112,037</u>
Total assets less current liabilities		<u>8,043,217</u>	<u>8,304,556</u>
Creditors: due after more than one year	17	(8,538,184)	(7,844,178)
Net (liabilities)/assets		<u>(494,967)</u>	<u>460,378</u>
Capital and reserves			
Share capital	20	7,763,291	6,926,112
Share premium	21	18,620,446	15,798,452
Retained earnings	21	(26,878,704)	(22,264,186)
Equity attributable to owners of the parent Company		<u>(494,967)</u>	<u>460,378</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Julie Fitzjohn
 Director

Date: 28 February 2022

The notes on pages 17 to 39 form part of these financial statements.

ACAMAR FILMS LIMITED
REGISTERED NUMBER:04399568

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	7,579,283	6,708,560
Tangible assets	12	480,831	451,145
Investments	13	4	4
		<u>8,060,118</u>	<u>7,159,709</u>
Current assets			
Debtors: due within one year	14	2,764,475	3,470,703
Cash at bank and in hand	15	1,299,718	1,020,738
		<u>4,064,193</u>	<u>4,491,441</u>
Creditors: due within one year	16	(4,081,094)	(3,346,594)
Net current (liabilities)/assets		<u>(16,901)</u>	<u>1,144,847</u>
Total assets less current liabilities		<u>8,043,217</u>	<u>8,304,556</u>
Creditors: due after more than one year	17	(8,538,184)	(7,844,178)
Net (liabilities)/assets		<u>(494,967)</u>	<u>460,378</u>
Capital and reserves			
Share capital	20	7,763,291	6,926,112
Share premium	21	18,620,446	15,798,452
Retained earnings brought forward		(22,264,186)	(16,540,211)
Loss for the year		(5,052,348)	(6,422,179)
Other changes in retained earnings		437,830	698,204
Retained earnings carried forward		<u>(26,878,704)</u>	<u>(22,264,186)</u>
		<u>(494,967)</u>	<u>460,378</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Julie Fitzjohn
 Director

Date: 28 February 2022

The notes on pages 17 to 39 form part of these financial statements.

ACAMAR FILMS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Share capital £	Share premium £	Retained earnings £	Total equity attributable to owners of parent Company £
At 1 October 2019	6,268,506	11,698,009	(16,540,211)	1,426,304
Comprehensive income for the year				
Loss for the year	-	-	(6,422,179)	(6,422,179)
Contributions by and distributions to owners				
Shares issued during the year	657,606	4,100,443	-	4,758,049
Share-based payments	-	-	659,615	659,615
Equity warrants	-	-	38,589	38,589
At 1 October 2020	6,926,112	15,798,452	(22,264,186)	460,378
Comprehensive income for the year				
Loss for the year	-	-	(5,052,348)	(5,052,348)
Contributions by and distributions to owners				
Shares issued during the year	837,179	2,821,994	-	3,659,173
Share-based payments	-	-	411,490	411,490
Equity warrants	-	-	26,340	26,340
At 30 September 2021	7,763,291	18,620,446	(26,878,704)	(494,967)

The notes on pages 17 to 39 form part of these financial statements.

ACAMAR FILMS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 October 2019	6,268,506	11,698,009	(16,540,211)	1,426,304
Comprehensive income for the year				
Loss for the year	-	-	(6,422,179)	(6,422,179)
Contributions by and distributions to owners				
Shares issued during the year	657,606	4,100,443	-	4,758,049
Share-based payments	-	-	659,615	659,615
Equity warrants	-	-	38,589	38,589
At 1 October 2020	6,926,112	15,798,452	(22,264,186)	460,378
Comprehensive income for the year				
Loss for the year	-	-	(5,052,348)	(5,052,348)
Contributions by and distributions to owners				
Shares issued during the year	837,179	2,821,994	-	3,659,173
Share-based payments	-	-	411,490	411,490
Equity warrants	-	-	26,340	26,340
At 30 September 2021	7,763,291	18,620,446	(26,878,704)	(494,967)

The notes on pages 17 to 39 form part of these financial statements.

ACAMAR FILMS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(5,052,348)	(6,422,179)
Adjustments for:		
Amortisation of intangible assets	1,294,721	1,016,143
Depreciation of tangible assets	95,805	96,378
Loss on disposal of tangible assets	-	9,761
Foreign exchange	(5,371)	1,311
Share based payments & warrants	1,462,830	698,203
Interest paid	965,026	992,536
Taxation credit	(202,616)	(11,859)
Increase in debtors	(848,525)	(53,772)
(Decrease)/increase in creditors	(64,664)	602,868
Corporation tax received	85,889	1,462,070
Net cash generated from operating activities	(2,269,253)	(1,608,540)
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,132,630)	(1,253,563)
Purchase of tangible fixed assets	(125,491)	(112,366)
Net cash from investing activities	(2,258,121)	(1,365,929)

ACAMAR FILMS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021	2020
	£	£
Cash flows from financing activities		
Issue of shares	2,315,429	4,758,047
Repayment of bank loans	-	(1,800,000)
Proceeds from issue of new loan notes	1,910,000	2,760,833
Repayment of loan notes	-	(1,546,211)
Repayment of other loans	(31,998)	(103,312)
Interest paid	(965,026)	(992,536)
	<hr/>	<hr/>
Net cash used in financing activities	3,228,405	3,076,821
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(1,298,969)	102,352
Cash and cash equivalents at beginning of year	2,878,460	2,776,108
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	1,579,491	2,878,460
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,579,491	2,879,103
Bank overdrafts	-	(643)
	<hr/>	<hr/>
	1,579,491	2,878,460
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The notes on pages 17 to 39 form part of these financial statements.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. General information

Acamar Films Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 7 Savoy Court, London, WC2R 0EX. The principal place of business address is Ground Floor, The Rotunda, 42-43 Gloucester Crescent, London, NW1 7DL.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements.

In relation to the ongoing global health crisis, we anticipate that certain aspects of the Group's business will continue to be impacted, including retail outlet closures and restrictions on trading; disruption to the product supply chain; effects on the ability of theatres, cinemas and theme parks to open and trade; and impacts to the strength of the underlying retail and advertising markets. The Group continues to proactively take steps to mitigate the financial impact of any sustained period of restrictions by significantly reducing expenditure on discretionary operating costs.

Over the period between March 2018 and February 2022, the company has successfully raised equity finance totalling £24.0m, and gross loan notes finance of £15.4m. This funding has been used for general corporate purposes, and to refinance maturing bank debt and loan note programme maturities totalling £12.3m. £5.8m of equity investment and £1.6m of net loan note investment (after repayments) has been raised in the period March 2021 to February 2022 since the last statutory accounts were signed, further underpinning the Company's ability to raise working capital as required.

During the forecast period to February 2023, further investment is being sought to cover the company's ongoing working capital needs. The Board has reviewed the company's base case cash flow and the future fundraising requirements and given the company's successful fundraising history over a period of 17 years, there is reasonable expectation that these targets will be met.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.3 Going concern (continued)**

The directors therefore have reasonable expectation that there will be adequate resources for the Company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

2.4 Foreign currency translation**(a) Functional and presentational currency**

The Company's presentation and functional currency is £ (Sterling).

(b) Transactions and balances

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the Income Statement in the period in which they arise.

2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales-related taxes.

Media and digital sales

Revenue derived from the sale of the television series is stated gross of withholding tax but excluding value added tax. The revenue and associated costs are recognised in the Income Statement when the following criteria are met:

- a) A licence agreement has been executed by both parties
- b) The episode has met all necessary technical quality requirements with the commissioning broadcaster
- c) The episode is available for delivery to the broadcaster
- d) The licence term has commenced
- e) The arrangement is fixed or determinable
- f) Collection of the revenue is reasonably assured

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.5 Revenue (continued)****Licensing revenue**

Minimum guarantees in respect of other Licensing, Publishing and DVD revenues are recognised in the Income Statement when the following criteria are met:

- a) A license agreement has been executed by both parties
- b) The programme or other materials have met all the necessary technical quality requirements with the Licensee
- c) The license term has commenced
- d) The arrangement is fixed or determinable
- e) Collection of the revenue is reasonably assured
- f) All conditions of the contract have been met

Additional licensing revenue is recognised when it has been notified to the Company.

2.6 Operating leases

Rentals payable under operating leases are charged to the Income Statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2.7 Interest

Interest income and expenses are recognised in the Income Statement on an accruals basis using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.10 Taxation**

Tax expenses recognised in the Income Statement comprise the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax balances are not discounted.

2.11 Intangible assets**Production costs**

Costs incurred in the production of television programmes are capitalised as intangible fixed assets and amortised from the point the asset is brought into use against discounted future income expected in the five-year forecast period from the end of the financial year in which the asset commenced amortisation. Intangible fixed assets are subject to review and provision is made against costs that are not supported by forecast future net cash flows.

Costs incurred on specific projects are capitalised when all of the following conditions are satisfied:

- Completion of the asset is technically feasible so that it will be available for use or sale;
- The Company intends to complete the asset and use or sell it;
- The Company has the ability to use or sell the asset, and the asset will generate probable future economic benefits (over and above cost);
- There are adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- The expenditure attributable to the asset during its development can be measured reliably.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.12 Tangible fixed assets**

Tangible assets are stated at historical cost less accumulated depreciation. Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal annual instalments over their expected useful lives less estimated residual values, using the methods stated below. The rates generally applicable are:

Land and buildings	-	Straight line depreciation over the life of the leasehold
Plant and machinery	-	25% reducing balance basis

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Income Statement.

The assets' residual value and useful lives are reviewed, and adjusted if required, at each reporting date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

2.13 Investments

Investments in subsidiaries are measured at cost less accumulated provisions.

2.14 Debtors

Short term debtors are measured at transaction price, less any write-off for bad debt. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any write-off.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.17 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of any such write offs. If objective evidence of any such write offs is found, a charge is recognised in the Income Statement.

For financial assets measured at amortised cost, the write-offs are measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any write-off is the current effective interest rate determined under the contract.

For financial assets measured at cost less accumulated write-off, these write-offs are measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.18 Share options

Employees and non-employees (including Directors) of the Company are granted share options over shares in the Company. The Company has applied the requirements of FRS 102 share options to all grants of equity instruments.

The cost of share option transactions with employees and non-employees is measured by reference to the fair value at the grant date of the equity instrument granted. The fair value is determined by using the Black-Scholes method. The costs of equity-settled transactions are recognised, together with a corresponding charge to equity, over the period between the date of grant and the end of a vesting period, where relevant employees become fully entitled to the award.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.19 Share warrants**

The issue of equity warrants is recognised at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments. Any transaction costs incurred are deducted from equity, net of any related income tax benefit. Increases in equity arising on the issue of shares or other equity instruments is presented in the Statement of Financial Position and is determined by applicable laws.

2.20 Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements under FRS 102 requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Capitalisation of production costs and amortisation

Distinguishing the research and development phases of new programmes and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may need to be provided against.

In assessing the carrying value of the Group's intangible assets, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Specifically, uncertainties exist in relation to the monetisation and exploitation of the programme and IP assets the Group is building. These rights are being exploited across multiple territories and through multiple channels that combine to increase the uncertainty in estimating the likely cash flows.

Furthermore, as the Bing programme and brand becomes more successful in particular territories, additional secondary income streams that might not have otherwise occurred in those territories can be exploited accordingly — this again increases the variability and estimation uncertainty in the assumptions used by management to assess realisable value. This risk is mitigated where possible by the industry expertise and experience in the management team, and also by significant review processes by the Board.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

4. Turnover

An analysis of turnover by class of business and geography is as follows:

	2021 £	2020 £
Licensing revenue	3,495,203	2,901,395
Media and digital revenue	3,342,180	2,317,558
	<u>6,837,383</u>	<u>5,218,953</u>
	<u><u>6,837,383</u></u>	<u><u>5,218,953</u></u>
	2021 £	2020 £
United Kingdom	1,732,223	1,517,000
Rest of the world	5,105,160	3,701,953
	<u>6,837,383</u>	<u>5,218,953</u>
	<u><u>6,837,383</u></u>	<u><u>5,218,953</u></u>

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets	1,294,721	1,016,143
Depreciation of tangible assets	95,805	96,629
Foreign exchange differences	(5,371)	1,311
Operating lease rentals	257,427	258,266
	<u>257,427</u>	<u>258,266</u>
	<u><u>257,427</u></u>	<u><u>258,266</u></u>

Operating lease rental costs of £85,962 (2020: £41,180) included in the above have been capitalised in the year as Intangible assets.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

6. Auditor's remuneration

	2021	<i>2020</i>
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	37,500	<i>30,600</i>
	=====	=====
Fees payable to the Group's auditor and its associates in respect of:		
Tax compliance	12,500	<i>12,000</i>
Tax advisory	21,575	<i>19,350</i>
Other non-audit services	5,900	<i>2,400</i>
	39,975	<i>33,750</i>
	=====	=====

7. Employees

Staff costs were as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	£	£	£
Wages and salaries	5,866,318	<i>4,847,911</i>	5,866,318	<i>4,847,911</i>
Social security costs	666,569	<i>553,450</i>	666,569	<i>553,450</i>
Costs of defined contribution scheme	147,995	<i>113,551</i>	147,995	<i>113,551</i>
	6,680,882	<i>5,514,912</i>	6,680,882	<i>5,514,912</i>
	=====	=====	=====	=====

Total staff costs of £1,130,990 (2020: £383,707) included in the above have been capitalised in the year as Intangible assets.

The average monthly number of employees, including the Directors, during the year was as follows:

	2021	<i>2020</i>
	No.	No.
Administrative	75	<i>60</i>
	=====	=====

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Directors' remuneration

	2021	<i>2020</i>
	£	<i>£</i>
Executive Directors	1,048,071	<i>1,034,154</i>
Non-Executive Directors	30,000	<i>30,000</i>
Social security costs	137,503	<i>136,199</i>
Company contributions to defined contribution pension schemes	10,650	<i>22,910</i>
	1,226,224	<i>1,223,263</i>

During the year retirement benefits were accruing to 3 Directors (*2020: 3*) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £523,125 (*2020: £511,887*) which included amounts in lieu of pension contributions paid to a defined contribution pension scheme of £15,188 (*2020: £3,875*). The total cost to the company including pension contributions was £523,125 (*2020: £521,437*).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (*2020: £9,550*).

Remuneration for executive directors accrued and unpaid as at 30 September 2021 amounted to £288,750 (*2020: £288,750*).

9. Interest payable and similar expenses

	2021	<i>2020</i>
	£	<i>£</i>
Loan note interest	676,021	<i>712,553</i>
Other loan interest	120,000	<i>192,518</i>
	796,021	<i>905,071</i>

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Tax on loss on ordinary activities

Major components of tax expense/(income)

	2021 £	2020 £
Current tax:		
Current tax on loss for the year	(202,616)	(11,859)
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u> </u>	<u> </u>
Taxation on loss on ordinary activities	(202,616)	(11,859)
	<u> </u>	<u> </u>

Reconciliation of tax expense/(income)

The tax assessed on the loss on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Loss on ordinary activities before taxation	(5,254,964)	(6,434,038)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%(2020: 19%)	(998,443)	(1,222,467)
Effects of:		
Expenses not deductible for tax purposes	159,804	132,661
Capital allowances for year in excess of depreciation	(5,640)	(3,085)
Deferred tax not recognised	844,279	1,092,891
Animation tax relief	(202,616)	(11,859)
	<u> </u>	<u> </u>
Total tax charge for the year	(202,616)	(11,859)
	<u> </u>	<u> </u>

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Intangible assets

Group and Company

	Production costs £
Cost	
At 1 October 2020	22,126,408
Additions	2,132,630
At 30 September 2021	24,259,038
Amortisation	
At 1 October 2020	15,385,034
Charge for the year	1,294,721
At 30 September 2021	16,679,755
Net book value	
At 30 September 2021	7,579,283
<i>At 30 September 2020</i>	<i>6,741,374</i>

The above charge of £1,294,721 (2020: £1,106,143) has been recognised within 'administrative expenses' in the Statement of Comprehensive Income.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Tangible fixed assets

Group and Company

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At 1 October 2020	329,112	395,187	724,299
Additions	-	125,491	125,491
At 30 September 2021	<u>329,112</u>	<u>520,678</u>	<u>849,790</u>
Depreciation			
At 1 October 2020	81,003	192,151	273,154
Charge for the year	34,221	61,584	95,805
At 30 September 2021	<u>115,224</u>	<u>253,735</u>	<u>368,959</u>
Net book value			
At 30 September 2021	<u>213,888</u>	<u>266,943</u>	<u>480,831</u>
<i>At 30 September 2020</i>	<u>248,109</u>	<u>203,036</u>	<u>451,145</u>

The above charge of £95,805 (2020: £96,629) has been recognised within 'administrative expenses' in the Statement of Comprehensive Income.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2020	4
At 30 September 2021	4
Net book value	
At 30 September 2021	4
<i>At 30 September 2020</i>	4

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Bing Bunny Productions Limited	Television production activities	Ordinary	100%
Bing Bunny Productions 2 Limited	Television production activities	Ordinary	100%
Bing Bunny Productions 3 Limited	Television production activities	Ordinary	100%
Bing Bunny Collections Limited	Collection and royalty paying agent	Ordinary	100%

The address of the registered office of the above subsidiary undertakings is 7 Savoy Court, London, WC2R 0EX.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade debtors	876,558	584,535	9,862	-
Amounts owed by group undertakings	-	-	2,447,516	3,168,905
Taxation and social security	-	44,964	-	40,670
Other debtors	64,117	59,939	64,998	60,820
Prepayments and accrued income	2,113,137	1,503,061	242,099	200,308
Corporation tax	128,585	11,859	-	-
	<u>3,182,397</u>	<u>2,204,358</u>	<u>2,764,475</u>	<u>3,470,703</u>

All amounts are short term. All of the Group and Company's trade and other debtors have been reviewed for indicators of bad debts and, where necessary, a provision for any write-offs provided. The carrying value is considered a fair approximation of their fair value. The Directors consider that all the above financial assets that are not provided for or past due, are of good credit quality, as such no provision has been made against the debtor balance.

Amounts owed by group undertakings are interest free, repayable on demand and unsecured.

15. Cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Cash at bank and in hand	1,579,491	2,879,103	1,299,718	1,020,738
Less: bank overdrafts	-	(643)	-	-
	<u>1,579,491</u>	<u>2,878,460</u>	<u>1,299,718</u>	<u>1,020,738</u>

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

16. Creditors: due within one year

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	£	£	£	£
Bank overdrafts	-	643	-	-
Loan notes	2,370,000	1,593,750	2,370,000	1,593,750
Other loans	34,532	-	34,532	-
Trade creditors	542,425	350,287	441,774	283,832
Amounts owed to group undertakings	-	-	4	4
Other taxation and social security	242,620	650,537	242,620	650,537
Other creditors	26,089	13,490	26,089	13,490
Accruals and deferred income	1,563,119	1,362,717	966,075	804,981
	<u>4,778,785</u>	<u>3,971,424</u>	<u>4,081,094</u>	<u>3,346,594</u>

All amounts are short term. The Directors consider that the carrying value of trade and other creditors to be a reasonable approximation of fair value.

Loan notes of £1,593,750 outstanding at the end of the prior year end were refinanced during the year. Between the Statement of Financial Position date and the date of signature of these accounts none of the loan notes outstanding at the year end have matured and a further £1,090,000 of new loan notes have been issued.

Amounts owed to group undertakings are interest free, repayable on demand and unsecured.

17. Creditors: due after more than one year

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	£	£	£	£
Loan notes	8,382,348	7,596,615	8,382,348	7,596,615
Other loans	-	66,530	-	66,530
Other creditors	155,836	181,033	155,836	181,033
	<u>8,538,184</u>	<u>7,844,178</u>	<u>8,538,184</u>	<u>7,844,178</u>

Other creditors relate to a lease incentive and rent-free period on an operating lease entered into in 2017 (see note 26).

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. Debt instruments

A maturity analysis of the debt instruments is provided below:

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	£	£	£	£
Creditors: due within one year				
Loan notes	2,370,000	1,593,750	2,370,000	1,593,750
Other loans	34,532	-	34,532	-
	<u>2,404,532</u>	<u>1,593,750</u>	<u>2,404,532</u>	<u>1,593,750</u>
Creditors: due after more than one year				
Loan notes	8,382,348	7,596,615	8,382,348	7,596,615
Other loans	-	66,530	-	66,530
	<u>8,382,348</u>	<u>7,663,145</u>	<u>8,382,348</u>	<u>7,663,145</u>
	<u><u>10,786,880</u></u>	<u><u>9,256,895</u></u>	<u><u>10,786,880</u></u>	<u><u>9,256,895</u></u>

Loan notes

Included in Creditors: due within one year are loan notes of £2,370,000 (2020: £1,593,750) and included in Creditors: due after more than one year are loan notes of £8,382,348 (2020: £7,596,615). These are analysed as follows:

	2021	2020	Currency	Interest rate	2021 notes Term remaining at 30 September 2021
	£	£		%	
Creditors: due within one year					
	2,370,000	318,750	Sterling	8.50%	1 year
	-	<u>1,275,000</u>	Sterling	9.00%	-
	<u>2,370,000</u>	<u>1,593,750</u>			
Creditors: due after more than one year					
	1,685,000	-	Sterling	7.50%	2 Years
	1,000,000	1,465,000	Sterling	7.50%	3 Years
	750,000	-	Sterling	8.00%	3 Years
	2,910,000	4,960,000	Sterling	8.50%	2 Years
	1,435,000	540,000	Sterling	8.50%	3 Years
	<u>602,348</u>	<u>631,615</u>	US Dollar	9.00%	2 Years
	<u>8,382,348</u>	<u>7,596,615</u>			

The loan notes are secured by way of a debenture over the Group's assets. The loan notes denominated in dollars amount to \$812,080 and are revalued at the exchange rate ruling at each year end.

ACAMAR FILMS LIMITED

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18. Debt instruments (continued)

Other loans

Included in Other loans and shown within Creditors: due within one year, is a loan of £34,532 (2020: £66,530 Creditors: due after more than one year) relating to S4C deficit finance investment for Series 1 to 3 together with deficit interest. The balance is repayable only if the Group earns sufficient revenues, due under the terms of the deficit finance agreement. The balance of the loan is expected to be paid within one year of the reporting date.

19. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Financial assets				
Financial assets measured at amortised cost	4,448,183	<i>4,853,016</i>	3,822,094	<i>4,250,463</i>
Financial liabilities				
Financial liabilities measured at amortised cost	(12,951,688)	<i>(11,079,866)</i>	(12,376,656)	<i>(10,540,235)</i>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of bank overdrafts, loan notes, other loans, trade creditors, amounts owed by group undertakings, other creditors and accruals.

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20. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
4,250,000 (2020: 4,250,000) Ordinary A shares of £0.0001 each	425	425
5,323,488 (2020: 5,323,488) Ordinary B shares of £1 each	5,323,488	5,323,488
1,831,349 (2020: 1,602,199) B Investor Premium NV shares of £1 each	1,831,349	1,602,199
608,029 (2020: Nil) Ordinary C shares of £1 each	608,029	-
	7,763,291	6,926,112
	7,763,291	6,926,112

In the event of a sale of the Company involving a change of control, the Ordinary B shares and B Investor Premium NV shares rank above the Ordinary A and C shares in being paid out. Prior to any amounts paid out to the Ordinary A or C shareholders, the Ordinary B shareholders and B Investor Premium NV shareholders are entitled to be paid their capital invested first and then a sum equal to 60% of their respective capital invested. After payment of the B share capitals invested and B share premiums, A, B and C shares will be paid out in proportion to the number of shares held pari passu.

During the year the Company issued 229,150 B Investor Premium NV shares and 608,029 Ordinary C Shares. £154,818 of costs were incurred on the share issues during the year and have been deducted from share premium.

21. Reserves

Share premium

Includes only premiums received on the issue of share capital less any transaction costs associated with the issuing of shares.

Retained earnings

This reserve records all current and prior period retained profit and losses.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Share options

The company operates three share-based compensation plans granting share options to employees and non-employees. Share options granted to employees are under the Enterprise Management Initiative ("EMI") scheme and vest either immediately or monthly over a 4 year period. At year end not all shares are fully vested.

Ordinary C share options

Historically the Company issued share options over 450,000 Ordinary C shares. These brought forward Ordinary C share options were granted in the year ended 30 September 2014 and are fully vested. A new scheme to reward employees was introduced in the year ended 30 September 2019. This scheme was continued and the Company granted further share options over 238,702 Ordinary C Shares during the year.

	2021	2021	2020	2020
	No.	WAEP	No.	WAEP
Balance brought forward	962,788	1.86	819,925	1.79
Share options granted	<u>238,702</u>	<u>2.64</u>	<u>142,863</u>	<u>2.26</u>
Balance carried forward	<u><u>1,201,490</u></u>	<u><u>2.01</u></u>	<u><u>962,788</u></u>	<u><u>1.86</u></u>

Ordinary B share options

The B Share Option Scheme was introduced in October 2017. No further options have been granted during the current year.

	2021	2021	2020	2020
	No.	WAEP	No.	WAEP
Balance brought forward	980,188	4.08	482,188	2.55
Share options granted	<u>-</u>	<u>-</u>	<u>498,000</u>	<u>5.56</u>
Balance carried forward	<u><u>980,188</u></u>	<u><u>4.08</u></u>	<u><u>980,188</u></u>	<u><u>4.08</u></u>

Ordinary B Investor Premium NV share options

The B Investor Premium NV Share Option Scheme was introduced in July 2019. No further options have been granted during the current year.

	2021	2021	2020	2020
	No.	WAEP	No.	WAEP
Balance brought forward	12,501	5.00	12,501	5.00
Share options granted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u><u>12,501</u></u>	<u><u>5.00</u></u>	<u><u>12,501</u></u>	<u><u>5.00</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Share options (continued)

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. The fair value of awards granted under the EMI scheme is measured using a Black Scholes model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each Statement of Financial Position date, the estimate of the number of options that are expected to vest is revised, and any changes in estimate is recognised in the Income Statement, with a corresponding adjustment in equity as per FRS102.

During the year, the Group recognised total share-based payment expenses of £411,490 (2020: £659,615).

23. Equity warrants

Ordinary C equity warrants

In 2018 the Board passed a resolution to create and issue up to 750,000 warrants to subscribe for up to 750,000 C Ordinary shares to some subscribers of the loan note programme. These equity warrants had an expiry period of 3 years. During the year 608,032 warrants were exercised and resulted in new C Ordinary shares being issued. The remaining 117,647 warrants lapsed in the year.

	2021 No.	2021 WAEP	2020 No.	2020 WAEP
Balance brought forward	725,679	2.21	725,679	2.21
Warrants granted	-	-	-	-
Exercised during the year	(608,032)	2.21	-	-
Lapsed during the year	(117,647)	2.21	-	-
Balance carried forward	<u>-</u>	<u>-</u>	<u>725,679</u>	<u>2.21</u>

Ordinary B Investor Premium NV equity warrants

In 2020 the Board passed a resolution to create and issue up to 14,753 warrants to subscribe for up to 14,753 B Investor Premium NV shares to some subscribers of the loan note programme. During the current year ended 30 September 2021 a resolution was passed to create and issue up to a further 11,000 warrants to subscribe for up to a further 11,000 B Investor Premium NV shares to some subscribers of the loan note programme. All outstanding equity warrants expire in 2025.

	2021 No.	2021 WAEP	2020 No.	2020 WAEP
Balance brought forward	14,753	9.93	-	-
Warrants granted	<u>10,070</u>	<u>9.93</u>	<u>14,753</u>	<u>9.93</u>
Balance carried forward	<u>24,823</u>	<u>9.93</u>	<u>14,753</u>	<u>9.93</u>

During the year, the Group recognised total equity warrant expenses of £26,340 (2020: £38,589).

24. Capital commitments

As at 30 September 2021 the Group and Company had no capital commitments or contracts for capital expenditure in place in the year (2020: £Nil).

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25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £147,995 (2020: £113,551). Contributions totalling £35,395 (2020: £30,661) were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 30 September 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Group and Company		
Not later than 1 year	282,624	282,624
Later than 1 year and not later than 5 years	1,130,496	1,130,496
Later than 5 years	336,052	618,676
	<u>1,749,172</u>	<u>2,031,796</u>

27. Transactions with directors

During the year a director's fee was charged to the Company by a director amounting to £15,000 (2020: £15,000) of which £Nil was outstanding as at 30 September 2021 (2020: £Nil).

During the year a director's fee of £15,000 (2020: £15,000) was charged to the Company by an LLP in which one of the directors is also a member, of which £Nil was outstanding as at 30 September 2021 (2020: £Nil).

During the year £25,000 of loan notes matured and were re-invested by a close family member of a director (see note 28) (2020: £50,000).

During the year £30,000 of loan notes were issued to a close family member of a director (see note 28) (2020: £Nil).

During the year, contractual payment obligations to Development Financiers were accrued and paid, one of whom is the step-father of a director and until 21 February 2020 was a person with significant influence over the Company. The costs relating to this related party amounted to £94,284 (2020: £94,284) which were fully paid during the year. These amounts are paid in accordance with the recoupment schedule agreement governing recoupment of investment in the Bing production alongside equity and deficit finance investors.

ACAMAR FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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28. Related party transactions

Loan notes totalling £318,750; £106,250 each, matured in the year on the following dates; March, June and September 2021. Interest on these loan notes was paid at 8.5%. Interest rates paid to this related party are in line with interest rates paid to other loan notes holders for each loan note series. At maturity of the loan notes, warrants over Ordinary C Shares that were held by this related party were also exercised, thereby issuing a total of 144,228 new Ordinary C shares at a nominal value of £144,228 and a share premium of £174,516.

Loan notes totalling £55,000 were invested in the year by close family members of two directors. These loan notes have a maturity date of November 2023. Interest on these loan notes is paid at 8.5%. Interest rates paid to these related parties are in line with interest rates paid to other loan notes holders for each loan note series.

The Company has taken advantage of the exemptions provided by FRS 102 (Section 33) from disclosing transactions with other wholly owned group companies.

No further transactions require disclosure under FRS102.